

DIVIDEND NOTICE

A dividend of 15 cents on Common Shares was declared May 28, 1973 payable July 31, 1973 to Shareholders of record July 6, 1973

**INDUSTRIAL ADHESIVES LIMITED**

Head Office and Toronto Plant
90 Tycos Drive, Toronto, Ontario

Montreal Plant

255 Labrosse Ave., Pointe Claire, P.Q.

INDUSTRIAL ADHESIVES LIMITED

INTERIM REPORT
TO SHAREHOLDERS

FOR THE SIX MONTHS ENDED
APRIL 30, 1973

INDUSTRIAL ADHESIVES LIMITED

May 31, 1973

In submitting your Company's financial results for the first half of the current fiscal year, we are proud to report another milestone in your Company's history. Sales for the first six months have passed the two million dollar mark, having increased 17.1% over the same period of last year. After taxes at 46% (calculated at the reduced rate on manufacturing and processing profits), earnings increased 22.5%.

Other indications of your Company's progress are an increase in working capital of \$149,437 over the twelve months ended April 30, 1973 and a further improvement in our current ratio which reached 3.23 to 1 compared with 3.19 to 1 a year ago.

Sales for the month of May are continuing to maintain the present percentage increase and your Company looks forward with confidence to another record year of achievements.

C. L. KALTHOFF,

President

INDUSTRIAL ADHESIVES LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(UNAUDITED)

	Six Months Ended	
	April 30, 1973	April 30, 1972
Gross Operating Revenue.....	\$2,013,734	\$1,720,310
Profit before Income Taxes.....	\$ 405,425	\$ 357,550
Income Taxes.....	186,500	178,775
Net Profit.....	\$ 218,925	\$ 178,775
Common Shares Outstanding.....	400,000	400,000
Earnings per Common Share.....	54.7 cents	44.7 cents
Dividends paid per Common Share.....	35 cents	30 cents

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

(UNAUDITED)

	Six Months Ended	
	April 30, 1973	April 30, 1972
Source of Funds		
Consolidated Net Profit.....	\$ 218,925	\$ 178,775
Add: Depreciation, a non-cash outlay.....	30,963	28,342
Total Source of Funds, provided from Operations.....	\$ 249,888	\$ 207,117
Application of Funds		
Net Additions to Fixed Assets.....	\$ 55,516	\$ 32,287
Purchase of Investments—Net.....	4,965	18,934
Dividends.....	140,000	120,000
Total Application of Funds.....	\$ 200,481	\$ 171,221
Increase (Decrease) in Working Capital.....	\$ 49,407	\$ 35,896
Working Capital at Beginning of Period.....	889,728	753,802
Working Capital at End of Period.....	\$ 939,135	\$ 789,698

(For dividend declaration see over)